



MICHIGAN OIL AND GAS ASSOCIATION

124 W. ALLEGAN ST., SUITE 1610 • LANSING, MI 48933 • Telephone: 517/487-1092 • Fax: 517/487-0961

TESTIMONY OF MICHAEL C. HAINES BEFORE THE HOUSE COMMERCE COMMITTEE

February 12, 2014

Good morning.

My name is Michael Haines. I am the Chairman of the Legal and Legislative Committee of the Michigan Oil and Gas Association.

With me are Frank Mortl, who is the President of the Michigan Oil and Gas Association, and Sue Benson, who is the President of the Michigan Association of Professional Landmen.

MOGA is an association having approximately 1,000 company and individual members who are engaged in *all aspects* of oil and gas exploration and production in Michigan. This is a \$4 billion Michigan industry that supports nearly 38,000 Michigan jobs.

The members of MOGA include small, independent exploration companies; major oil companies having operations in Michigan; drilling and service companies; utility and pipeline companies; individual land owners and royalty owners; and professionals serving the oil and gas exploration and production industry in a variety of ways.

Currently, there are approximately 14,800 operating wells in 64 counties in Michigan. Although Michigan is a net importer of oil and gas products, Michigan production does supply nearly 25% of the natural gas consumed in Michigan's industries, businesses and homes.

MOGA supports Senate Bill 427, which will clarify the status of oil, gas and mineral landmen as independent contractors in those situations where that is the agreement of the parties. There is a long tradition in the landman profession of working as independent contractors, more commonly than as employees. This legislation will help provide certainty to the parties in defining their relationship, whether as an independent contractor or, in some cases, as an employee.

As I mentioned, Sue Benson is here from the MAPL, and she will speak about that organization and their position on Senate Bill 427.